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FROM: THE SITUATION ROOM//TOSCO 116/1

TO: GENERAL SCOWCROFT

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MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION

August 11, 1975

MEMORANDUM FOR: SECRETARY KISSINGER

FROM:

STEPHEN LOW *McB*

SUBJECT:

Response to Senators Humphrey and McGee
concerning their letter on the Panama Canal
treaty negotiations

Attached at Tab I is a memorandum to the President forwarding suggested responses to the letter from Senators Humphrey and McGee. The Senators wrote the President expressing concern about the differences between State and Defense on the U.S. negotiating position on the Canal treaty.

Les Janka and I believe that the replies should be signed by the President in order to encourage the Senators to continue their support for the treaty negotiations and help respond to the criticism from this group that he has not shown active support for the negotiations. The draft letters do not go beyond anything the President has said in recent letters to other Senators. Paul Theis' office has cleared the text of the proposed letters.

Alternatively, there is attached at Tab II for your signature a memorandum for Max Friedersdorf, forwarding suggested letters to both Senators, in the event that you prefer he reply to the Senators.

RECOMMENDATION

That you initial the memorandum to the President at Tab I.

Alternatively, that you initial the memorandum to Max Friedersdorf at Tab II.

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Les Janka concurs.

MEMORANDUM

THE WHITE HOUSE
WASHINGTONACTION

MEMORANDUM FOR:

THE PRESIDENT

FROM:

HENRY A. KISSINGER

SUBJECT:

Response to Senators Humphrey and
McGee concerning their letter on the
Panama Canal treaty negotiations

Senators Humphrey and McGee wrote you on July 8 (Tab C) calling attention to differences between State and Defense over the U.S. position in the Canal negotiations with Panama. In the letter they urge that you make an early decision regarding the critical issues involved and end bureaucratic maneuvering between the Departments.

Bill Kendall sent each of them an interim reply on July 14 noting that you had received the outline of their concerns and that you had directed the NSC to review them carefully and report to you.

I believe responses to each of the Senators along the lines of the letter you sent to Senators Sparkman and McClellan -- saying that we are seeking an agreement which accommodates U.S. and Panamanian needs and protects our basic interests in the defense and operation of the Canal -- would be useful in maintaining the support which Senators Humphrey and McGee have given in our continuing negotiations regarding the Canal treaty. Suggested letters to the Senators are attached at Tabs A and B for your consideration. Paul Theis' office has cleared the text of the proposed letters.

Max Friedersdorf concurs.

RECOMMENDATION

That you sign the letters at Tabs A and B to Senators Humphrey and McGee.

THE WHITE HOUSE
WASHINGTON

Dear Hubert:

Thank you for the letter of July 8 which you and Gale McGee sent me concerning the negotiations with the Government of Panama over a new Panama Canal treaty.

These negotiations, initiated 11 years ago by President Johnson and supported by each succeeding Administration, are continuing. We are seeking an agreement which accommodates the needs of both the United States and Panama while protecting our basic interests in defense and operation of the Canal. I know you recognize the complexities of this issue from both the international and domestic points of view.

I appreciate the problems you wrote about and the spirit in which you did so. We will give our careful attention to the continuing effort to negotiate a satisfactory agreement. As the negotiations proceed we will also be consulting with the Congress, and the Senate will, of course, have an opportunity to review any treaty under the advice and consent procedures. In the meantime I appreciate the interest and support you are giving these negotiations.

Sincerely,

The Honorable Hubert H. Humphrey
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE
WASHINGTON

Dear Gale:

Thank you for the letter of July 8 which you and Hubert Humphrey sent me concerning the negotiations with the Government of Panama over a new Panama Canal treaty.

These negotiations, initiated 11 years ago by President Johnson and supported by each succeeding Administration, are continuing. We are seeking an agreement which accommodates the needs of both the United States and Panama while protecting our basic interests in defense and operation of the Canal. I know you recognize the complexities of this issue from both the international and domestic points of view.

I appreciate the problems you wrote about and the spirit in which you did so. We will give our careful attention to the continuing effort to negotiate a satisfactory agreement. As the negotiations proceed we will also be consulting with the Congress, and the Senate will, of course, have an opportunity to review any treaty under the advice and consent procedures. In the meantime I appreciate the interest and support you are giving these negotiations.

Sincerely,

The Honorable Gale W. McGee
United States Senate
Washington, D.C. 20510

July 14, 1975

Dear Senator.

The President appreciated receiving from you and Senator McGee the outline of your concerns over the status of negotiations with the Government of the Republic of Panama with respect to a new Panama Canal Treaty. He has asked me to thank you for making them available to him.

He has directed the National Security Council to review them most carefully and report to him as soon as possible.

With kind regards,

Sincerely,

William T. Kendall
Deputy Assistant
to the President

The Honorable Hubert H. Humphrey
United States Senate
Washington, D.C. 20510

~~bcc:~~ w/incoming to General Scowcroft for further handling

WTK:EF:VO:vo

July 14, 1975

Dear Mr. Chairman:

The President appreciated receiving from you and Senator Humphrey the outline of your concerns over the status of negotiations with the Government of the Republic of Panama with respect to a new Panama Canal Treaty. He has asked me to thank you for making them available to him.

He has directed the National Security Council to review them most carefully and report to him as soon as possible.

With kind regards,

Sincerely,

William T. Kendall
Deputy Assistant
to the President

The Honorable Gale W. McGee
United States Senate
Washington, D.C. 20510

~~cc:~~ w/incoming to General Scowcroft for further handling

WTK:EF:VO:vo

JOHN SPARKMAN, ALA.
MIKE MANSFIELD, MONT.
FRANK CHURCH, IDAHO
STUART SYMINGTON, MO.
CLAIBORNE PELL, R.I.
GAIL W. MC GEE, WYO.
GEORGE MC GOVERN, S. DAK.
HUBERT H. HUMPHREY, MINN.
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HOWARD H. BAKER, JR., TENN.

PAT M. HOLT, CHIEF OF STAFF
ARTHUR M. KUNL, CHIEF CLERK

United States Senate

COMMITTEE ON FOREIGN RELATIONS
WASHINGTON, D.C. 20510

July 8, 1975

The President
The White House
Washington, D. C.

Dear Mr. President:

We write with deep personal concern over the progress of negotiations with the Government of the Republic of Panama for a new Panama Canal Treaty.

Quite frankly, we are troubled by the failure of the Executive Branch to resolve differences between the Department of State and Department of Defense over fundamental negotiating positions, particularly in regards to the duration of the new treaty and the land and water issues. It is well known that the Department of Defense has yet to develop realistic positions on these issues.

We realize the differences within the Executive Branch are properly questions for you to resolve. However, in this case, the very obvious conflict between two key Executive departments has caused serious difficulties in efforts within the Congress to support the general position of your Administration for the negotiation of not only an equitable treaty between our two governments, but one which will also protect U. S. short- and long-term interests as they relate to the operation of the Canal. In essence, unless such a treaty is negotiated and ratified in the coming months, we believe these interests will be placed in serious jeopardy.

We understand that in the coming days you will be making a decision as to what the ultimate U. S. position will be on the two matters mentioned above as well as on the strategy for Senate ratification. We cannot impress upon you enough the importance of both making a decision soon on these critical issues and ending the divisive and harmful bureaucratic maneuvering which has already had a

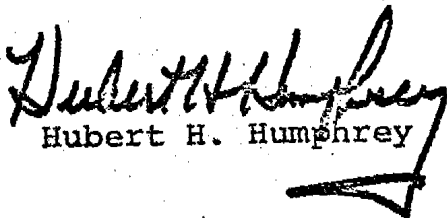
The President
July 8, 1975
Page 2


detrimental effect on Congressional attitudes toward the treaty, as evidenced by the recent vote in the House on the Snyder amendment.

We do not believe that the prospects for ratification are lost. It would, however, be unfortunate if any department within the Executive Branch undercut our treaty efforts with Panama. As Members of the Foreign Relations Committee, we stand ready to do whatever we can, in cooperation with you, to insure that ratification proceeds in a timely fashion. However, in the absence of a final decision by you, particularly in establishing a unified position on the treaty within the Executive Branch, we believe our efforts will be fruitless.

Again, we stand ready to assist you in this vital matter and would appreciate meeting with you or your representatives if you should so desire.

Sincerely,


Hubert H. Humphrey


Gale W. McGee